Mammoth Mart annual report

for the year ended February 2, 1974

mammoth mart, inc. AND SUBSIDIARIES

DIRECTORS

Max Coffman, *Chairman*
Henry Gornstein, *Vice Chairman*
Alan D. Zaff
Erwin Stone
Frank Brenton
Daniel Coven, *Financial Consultant*
Belmont Towbin, *Partner*
C.E. Unterberg, Towbin Co.
John E. Beard, *Partner, Ropes & Gray*
Ralph Sorenson, *Associate Professor*
Harvard Business School
President-elect Babson College

CORPORATE COUNSEL

Ropes & Gray, Boston, Mass.

INDEPENDENT ACCOUNTANTS

Ernst & Ernst, Boston, Mass.

TRANSFER AGENTS

Irving Trust Co., New York N.Y.
State Street Bank & Trust Co.,
Boston, Mass.

REGISTRARS

The Bank of New York,
New York, N.Y.
The First National Bank of Boston,
Boston, Mass.

EXECUTIVE OFFICERS

321 Manley Street
West Bridgewater, Mass. 02379
Tel.: (617) 583-6800

OFFICERS

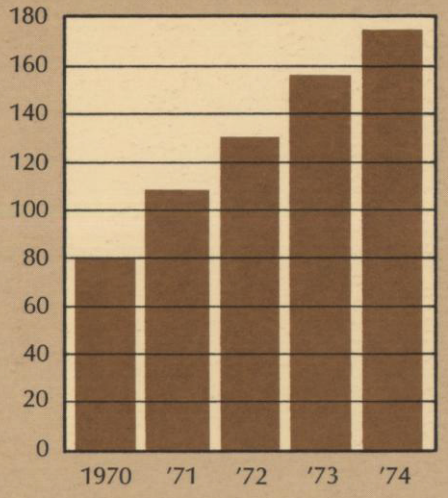
Max Coffman,
Chairman and Chief Executive Officer
Henry Gornstein,
Vice Chairman
Alan D. Zaff,
President and Chief Operating Officer
Erwin Stone,
Executive Vice President
Frank H. Brenton,
Senior Vice President-Finance, and Treasurer
Irving S. Getz,
Senior Vice President-Advertising
Nathan Levine,
Senior Vice President-Merchandising

Vice Presidents:
Jeffrey Coffman, *President,*
Boston Baby Division
Kenneth Litvack, *General Merchandise Manager*
Thomas Reynolds, *Controller*
Robert Slattery, *Management Information Systems*
Stanley Sonnenfeld, *Operations*
Eugene Twomey, *Real Estate*

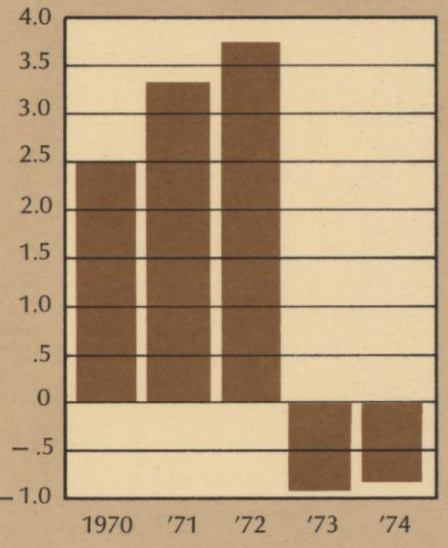
Secretary:
Sumner Bernstein

Assistant Vice Presidents:
David Band, *Merchandising*
Allen Garf, *Distribution*
George Kovick, *Merchandising*
Alan Lerner, *Personnel*
Elliot Lerner, *Merchandising*

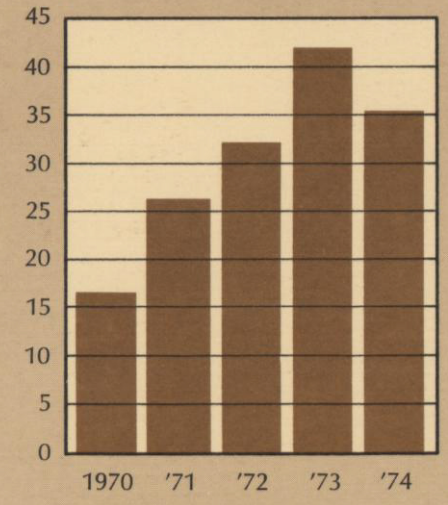
TOTAL SALES
[IN MILLIONS OF DOLLARS]



NET EARNINGS OR LOSS
[IN MILLIONS OF DOLLARS]



CURRENT ASSETS
[IN MILLIONS OF DOLLARS]



mammoth mart, inc. AND SUBSIDIARIES

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

FINANCIAL HIGHLIGHTS

	Fiscal Year Ended February 2, 1974	Fiscal Year Ended February 3, 1973
Total Sales	**$175,436,095**	$158,232,402
Loss Before Extraordinary Charge	**$891,480**	$238,729
Extraordinary Charge	**-**	$698,576
Net Loss	**$891,480**	$937,305
Loss Per Share	**$.24**	$.25
Total Assets	**$49,904,188**	$56,069,184
Working Capital	**$22,309,289**	$24,464,383
Stockholders' Equity	**$25,590,010**	$27,047,724
Cash Dividends Paid	**$618,346**	$830,730
Current Ratio	**2.7 to 1**	2.4 to 1

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Message to Shareholders

Fiscal 1974 Annual Report

Dear Shareholder:

This past year was a difficult one for retailers.

We entered the year recognizing many of the problems we would be facing, and prepared to operate as efficiently as possible under existing circumstances. We set as a primary goal the substantial improvement of our balance sheet (primarily through a planned program of inventory reduction), as well as improvement in net profit.

The first goal was achieved. At the close of the year our ending inventory had been reduced 18.6% from a year earlier to $30.4 million despite the addition of six new stores, and accounts payable were also reduced, to $5.2 million from $14.7 million a year earlier. The working capital ratio at year-end was 2.7 to 1 vs. 2.4 to 1 a year earlier.

Initially we had hoped for good earnings improvement in 1973, and this hope persisted through the first half of the year. However, the second half, and particularly the fourth quarter, was adversely affected by the energy crisis, by the effects of the Phase IV program (which restricted our permissable profit margins), and by somewhat higher than anticipated inventory shrinkage. On an overall basis, the high cost of money was an adverse factor throughout the year.

Our fundamental emphasis in this difficult period was to put the company into a strong financial position. To do this required the imposition of stringent controls on every aspect of our operations, the imposition of a major austerity program, and the concentration and rededication of every person at Mammoth Mart on the immediate goals at hand. The results can be seen in the strong balance sheet presented later on in this report.

During the year we opened five new Mammoth Marts, and we took advantage of an unusual opportunity to acquire an existing store in Wareham, Massachusetts, bringing the total number of Mammoth Marts to 68. This was the smallest number of new Mammoth Marts to be opened in recent years.

During 1973 we were buoyed by some evidence of improving operations at the ailing Boston Baby division, which now operates 10 units, but this division was also affected by the adverse factors already cited, and again contributed substantially to our operating losses in the year just ended.

The Company omitted a common dividend declaration at the December, 1973 Directors meeting and again at its meeting on April 5, 1974. The question of a common dividend is reviewed by the Board on a continuing basis.

We are, today, operating in a new retail climate. Many of the problems encountered in 1973 will be with us this year as well. The high cost of money, the possible continuation of the energy crisis, and rising product costs are all contributing to what is undoubtedly the major underlying economic factor facing us today, inflation. This time the coming inflation is in large measure based on a "cost-push", rather than on overwhelming demand, and with the removal of price controls now virtually an accomplished fact, higher prices for most commodities appear inevitable.

There are steps which can be taken by individual retailers to help solve these problems, and we are moving rapidly to take action. From an internal standpoint we are concentrating on controlling our own operating costs. Many of the programs which we have already implemented will contribute important cost savings this year and beyond; one example would be the steps taken to control the unexpectedly heavy "shrink" which adversely affected 1973 profitability. From an operating standpoint, in difficult time it is more important than ever to provide the customer with excellent value at a fair price, and all our merchandisers are scouring the marketplace for this type of value.

Finally, we must maintain our financial strength so that we can meet competition where required, so that we can promote effectively, and so that we can in general implement all efforts to continue Mammoth Mart's position as a fine place to shop.

We are in better shape today than for some time past to take advantage of our opportunities, and to cope with the problems of the future. We look forward to a resumption of profitable operations, and will report to you throughout the year on the success of our efforts.

Respectfully submitted,

Alan D. Zaff
President

Max Coffman
Chairman

April 26, 1974

mammoth mart, inc. AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED OPERATIONS

	Fiscal Year Ended February 2, 1974	Fiscal Year Ended February 3, 1973
Sales (including concessionaires)	$175,436,095	$158,232,402
Less concessionaires' sales	4,554,319	4,626,419
Sales (owned departments)	170,881,776	153,605,983
Gross rentals from concessionaires	327,881	350,121
Other income	676,166	543,535
	171,885,823	154,499,639
Costs and expenses:		
Cost of merchandise sold, buying and occupancy expenses	134,006,142	117,398,624
Selling, general and administrative expenses	35,686,338	35,531,236
Depreciation and amortization	1,735,798	1,455,054
Interest	1,781,025	551,454
	173,209,303	154,936,368
LOSS BEFORE INCOME TAXES AND EXTRAORDINARY CHARGE	1,323,480	436,729
Federal and state income taxes (credit) (Note A):		
Current	(1,000,000)	(320,000)
Deferred	568,000	122,000
	(432,000)	(198,000)
LOSS BEFORE EXTRAORDINARY CHARGE	891,480	238,729
Extraordinary charge, less deferred income tax credit of $643,000 (Note F)	-	698,576
NET LOSS	$ 891,480	$ 937,305
Per share of Common Stock (Note A):		
Loss before extraordinary charge	$.24	$.06
Extraordinary charge	-	.19
Net loss	$.24	$.25

The accompanying notes are an integral part of the consolidated financial statements.

STATEMENT OF CHANGES IN CONSOLIDATED FINANCIAL POSITION

	Fiscal Year Ended February 2, 1974	February 3, 1973
SOURCE OF WORKING CAPITAL		
From operations:		
Loss before extraordinary charge	($ 891,480)	($ 238,729)
Depreciation and amortization	1,735,798	1,455,054
Provision for deferred income taxes	568,000	122,000
Net book value of assets abandoned in store closings	-	304,282
Loss on fixed assets sold	62,991	-
Amortization and adjustment of deferred compensation	(10,412)	60,392
TOTAL FROM OPERATIONS EXCLUDING EXTRAORDINARY CHARGE	1,464,897	1,702,999
Extraordinary charge	-	(698,576)
Write-off of excess of cost of investment in subsidiary over net assets acquired	-	1,341,576
Related deferred income tax credit	-	(643,000)
TOTAL FROM OPERATIONS	1,464,897	1,702,999
Increase in long-term debt, less refinancing of $1,660,000	-	8,340,000
Properties sold and leased back	-	1,470,341
Sales of Common Stock (including shares from treasury)	63,324	140,869
Proceeds from sales of fixed assets	64,490	13,722
	1,592,711	11,667,931
APPLICATION OF WORKING CAPITAL		
Additions to property and equipment	2,335,087	5,739,610
Payments of long-term debt and change in current portion	705,617	302,987
Payments of cash dividends	618,346	830,730
Increase in other assets	87,955	169,352
Cost of Common Stock acquired for treasury	800	582,639
	3,747,805	7,625,318
INCREASE (DECREASE) IN WORKING CAPITAL	($2,155,094)	$ 4,042,613
CHANGES IN COMPONENTS OF WORKING CAPITAL		
Increase (decrease) in current assets:		
Cash and short-term investments	$ 608,201	($ 1,511,443)
Recoverable income taxes	(267,640)	1,261,991
Merchandise inventories	(6,953,859)	10,254,129
Other current assets	(111,461)	402,352
	(6,724,759)	10,407,029
(Increase) decrease in current liabilities:		
Notes payable to banks	(4,348,314)	(476,676)
Trade accounts payable	9,514,247	(8,271,540)
Federal and state income taxes	-	2,495,150
Current portion of long-term debt	(524,244)	192,202
Other current liabilities	(72,024)	(303,552)
	4,569,665	(6,364,416)
INCREASE (DECREASE) IN WORKING CAPITAL	($2,155,094)	$ 4,042,613

The accompanying notes are an integral part of the consolidated financial statements.

mammoth mart, inc. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

ASSETS

	February 2, 1974	February 3, 1973
CURRENT ASSETS		
Cash	$ 2,432,865	$ 1,824,664
Accounts receivable	625,419	480,166
Recoverable income taxes	1,334,851	1,602,491
Merchandise inventories - at the lower of cost or market as determined by the retail inventory method	30,413,181	37,367,040
Prepaid expenses and other current assets	747,451	1,004,165
TOTAL CURRENT ASSETS	35,553,767	42,278,526
PROPERTY AND EQUIPMENT - on the basis of cost (Note B)		
Land	142,423	142,423
Buildings and improvements	1,671,490	1,658,063
Fixtures and equipment	17,039,847	15,092,409
Leasehold improvements	1,792,077	1,579,226
	20,645,837	18,472,121
Less allowances for depreciation and amortization	7,252,855	5,550,947
	13,392,982	12,921,174
OTHER ASSETS (Notes A and F)	957,439	869,484
	$49,904,188	$56,069,184

LIABILITIES AND STOCKHOLDERS' EQUITY

	February 2, 1974	February 3, 1973
CURRENT LIABILITIES		
Notes payable to banks	$ 5,000,000	$ 651,686
Trade accounts payable	5,220,413	14,734,660
Accrued payroll and other expenses	1,519,928	1,376,287
Taxes, other than income taxes	796,286	867,903
Current portion of long-term debt	707,851	183,607
TOTAL CURRENT LIABILITIES	13,244,478	17,814,143
LONG-TERM DEBT, less current portion (Note B)	10,384,601	11,090,218
DEFERRED INCOME TAXES	685,099	117,099
STOCKHOLDERS' EQUITY (Notes B, C and D)		
Preferred Stock, par value $1 a share:		
Authorized 500,000 shares; issued none		
Common Stock, par value $1 a share:		
Authorized 7,500,000 shares; issued 3,844,288 shares, including 89,894 shares in treasury (106,020 in 1973)	3,844,288	3,844,288
Additional paid-in capital	15,097,581	15,186,736
Retained earnings	7,312,193	8,822,019
	26,254,062	27,853,043
Less:		
Cost of Common Stock in treasury	522,123	584,647
Unamortized deferred compensation	141,929	220,672
	664,052	805,319
	25,590,010	27,047,724
LEASES (Note E)	-	-
	$49,904,188	$56,069,184

Certain amounts in 1973 have been reclassified to permit comparison.

The accompanying notes are an integral part of the consolidated financial statements.

mammoth mart, inc. AND SUBSIDIARIES

STATEMENT OF CONSOLIDATED STOCKHOLDERS' EQUITY

	Common Stock ($1 Par Value)	Additional Paid-In Capital	Retained Earnings	Common Stock In Treasury
Balances at January 29, 1972	$3,818,948	$15,088,705	$10,590,054	$ 3,160
Cost of 100,000 shares acquired for treasury	-	-	-	580,839
Proceeds from exercise of stock options	25,340	114,377	-	-
2,835 Shares reacquired from terminated employees under Executive Incentive Stock Purchase Plan (Note D)	-	(33,075)	-	1,800
1,800 Shares issued under Executive Incentive Stock Purchase Plan (Note D)	-	21,975	-	(1,152)
Adjustment of deferred compensation	-	(5,246)	-	-
Net loss	-	-	(937,305)	-
Cash dividends on common stock — $.22 a share	-	-	(830,730)	-
Balances at February 3, 1973	3,844,288	15,186,736	8,822,019	584,647
Cost of treasury stock distributed as bonus	-	-	-	(51,704)
1,260 Shares reacquired from terminated employees under Executive Incentive Stock Purchase Plan (Note D)	-	(14,637)	-	800
2,000 Shares issued under Executive Incentive Stock Purchase Plan (Note D)	-	3,375	-	(11,620)
Adjustment of deferred compensation	-	(77,893)	-	-
Net loss	-	-	(891,480)	-
Cash dividends on Common Stock — $.165 a share		-	(618,346)	-
BALANCES AT FEBRUARY 2, 1974	$3,844,288	$15,097,581	$ 7,312,193	$522,123

( ) Denote deduction

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Fiscal Years Ended
February 2, 1974 and February 3, 1973

NOTE A — ACCOUNTING POLICIES

The principal accounting policies of Mammoth Mart, Inc. and subsidiaries are as follows:

Principles of Consolidation

The consolidated financial statements include the accounts of Mammoth Mart, Inc. and all of its subsidiaries, each of which is wholly-owned. All intercompany accounts and transactions have been eliminated upon consolidation.

Property and Equipment

The Company and its subsidiaries provide for depreciation and amortization of property and equipment principally by use of the straight-line method at rates designed to amortize the costs of such items over their estimated useful lives. Expenditures for maintenance, repairs and renewals are charged to expense as incurred, whereas major betterments are capitalized as additions to property and equipment.

Store Opening Costs

The Company charges promotional advertising and store opening costs against earnings in the year in which such costs are incurred.

Excess of Cost of Investments in Subsidiaries Over Net Assets Acquired

The excess ($1,341,576) of the cost of acquiring the Company's Boston Baby Division in March 1970 over the tangible net assets acquired was written off in fiscal 1973; no amortization had been reflected in previous years (see Note F). The excess ($271,530) of the cost of acquiring Key Stores, Inc., in September 1970 over the amount attributable to tangible net assets acquired is considered by management to have continuing value and is therefore not being amortized.

Closed Store Locations

The Company provides as a charge to current operations the present value of estimated future losses associated with closed store locations.

Federal and State Income Taxes

The Company provides for federal and state income taxes currently payable and deferred income taxes resulting primarily from depreciation timing differences. Prior to fiscal 1973, the Company filed separate federal income tax returns, which reflected multiple surtax exemptions. The 1973 financial statements were also presented on this basis; however, subsequent to their issuance the Company decided to file consolidated income tax returns. Accordingly, the income tax accounts as presented in the consolidated balance sheet at February 3, 1973 have been reclassified to reflect the filing of consolidated income tax returns.

The Company uses the flow-through method of accounting for the investment tax credit, which had the effect of increasing the federal income tax credit in 1973 by $121,000 (no effect in 1974). Investment tax credit carryforwards of approximately $509,000 are available to reduce future federal income taxes.

At February 2, 1974, the tax benefits ($634,000) of certain operating loss carryforwards have been recognized as a reduction of the aggregate deferred federal income tax liability (see Note F). In addition, the Company has available consolidated operating loss carryforwards expiring in fiscal 1979 and loss carryforwards subject to separate return loss year limitations, the tax benefits of which have not been recognized in the accompanying financial statements, amounting to approximately $1,365,000 and $420,000, respectively.

Loss Per Share

Net loss per share for both years has been computed on the weighted average number of common shares outstanding during the respective years. Common stock options have not been considered in the loss per share computations since their effect is antidilutive.

Fiscal Year

The Company has the policy of a fifty-two, fifty-three week fiscal year ending on the Saturday nearest January 31. The year ended February 2, 1974 contains fifty-two weeks whereas the year ended February 3, 1973 contains fifty-three weeks.

NOTE B — LONG-TERM DEBT

Long-term debt at February 2, 1974 and February 3, 1973 consisted of the following:

	1974	1973
8% Note payable to insurance company, due in annual installments of $666,000 beginning February 15, 1977	$ 8,000,000	$ 8,000,000
Note payable to bank at ½% over the prevailing prime interest rate, due in annual installments of $666,667 beginning February 15, 1974	2,000,000	2,000,000

	1974	1973
6½% Mortgage notes payable to banks, property with a net carrying value of $1,320,042 at February 2, 1974 mortgaged, due in aggregate annual payments, including interest, of $110,844 through 1987 and $43,740 thereafter through 1992	1,092,452	1,128,825
Other notes payable		145,000
	11,092,452	11,273,825
Less current portion	707,851	183,607
	$10,384,601	$11,090,218

The note agreements with the insurance company and bank contain, among other things, limitations and restrictions as to indebtedness, lease rentals, acquisitions, working capital and cash dividends. At February 2, 1974, under the most restrictive of provisions, no consolidated retained earnings were available for the payment of cash dividends.

Aggregate maturities of long-term debt will be approximately $707,900, $710,900, $713,900, $716,200 and $719,200, respectively, for the five fiscal years ended January 31, 1978.

NOTE C — STOCK OPTION PLAN

The Company has a plan pursuant to which stock options may be granted to certain officers and key employees to purchase shares of Common Stock at a price not less than fair market value at the date of grant. Options granted are exercisable ratably over a four-year period beginning one year after the date of grant.

The following table summarizes the stock option activity for the respective years:

	Number of Shares Fiscal Year Ended	
	February 2, 1974	February 3, 1973
Outstanding at beginning of year	55,747	84,731
Granted	37,900	15,300
Exercised		(25,340)
Cancelled	(11,827)	(18,944)
Outstanding at end of year	81,820	55,747
Becoming exercisable	11,420	24,144
Available for future grants	52,438	78,511

At February 2, 1974, the exercise price of outstanding options ranged from $3.13 to $26.00 per share ($5.94 to $28.67 at February 3, 1973).

NOTE D — STOCK PURCHASE PLAN

The Company has a 1969 Executive Incentive Stock Purchase plan pursuant to which restricted shares of Common Stock may be purchased by key executive employees at an amount not less than par value.

The restrictions on shares purchased under the plan lapse ratably over a five-year period beginning with the third year after allotment of the shares. Under the plan, 47,250 shares of Common Stock were reserved until December 31, 1978 for issuance. During the year ended February 2, 1974, the Company issued 2,000 shares (1,800 in 1973) at $1 a share, and reacquired 1,260 shares (2,835 in 1973) from terminated employees. Restrictions lapsed on 8,817 shares (6,671 in 1973). Deferred compensation, representing the excess of the market price over the option price at the date of sale, is being amortized over the period of the restrictions. At February 2, 1974 and February 3, 1973, respectively, there were 7,642 and 8,382 shares available for future issuance.

NOTE E — LEASES

The Company and its subsidiaries lease retail facilities, office space and certain equipment. The retail facilities leases generally provide for additional rentals based upon sales and many leases have renewal options. Contingent rental expense based on sales comprises an immaterial portion of rental expense in both years. Total gross rental expense (including amounts applicable to real estate taxes, insurance, and common area charges) for financing leases and all other leases amounted to $8,901,000 and $401,000 in 1974 and $7,185,000 and $380,000 in 1973, respectively.

At February 2, 1974, the minimum rental commitments for all noncancelable leases are as follows (in thousands of dollars):

		Financing Leases		Other Leases
Fiscal Year	Total	Real Estate	Equipment	Real Estate
1975	$ 6,584	$ 6,230	$148	$206
1976	6,503	6,228	128	147
1977	6,419	6,224	117	78
1978	6,413	6,224	117	72
1979	6,402	6,224	117	61
1980-1984	31,329	31,098	205	26
1985-1989	28,269	28,269		
1990-1994	24,670	24,670		
After 1994	16,325	16,325		
	$132,914	$131,492	$832	$590

The above commitment amounts have been reduced by $1,910,000 of rentals to be received under noncancelable subleases.

The estimated present values of net fixed minimum rental commitments for all noncancelable financing leases are as follows:

	February 2, 1974	February 3, 1973
Real Estate	$61,396,000	$56,503,000
Equipment	800,000	815,000
	$62,196,000	$57,318,000

The present values and future lease commitments were computed after reducing total rental commitments by estimated amounts applicable to the lessors' payment of taxes, insurance and common area charges.

The weighted average interest rate used to compute estimated present values of all financing lease commitments was 8.1% in 1974 (7.8% in 1973) and the range of interest rates used was 5.8% to 10.1% in both years. At February 2, 1974, present value of rentals to be received under noncancelable subleases of leased property included above amounted to $392,000 (none in 1973).

If all financing leases had been capitalized, it is estimated that the loss before extraordinary charge would have been increased by approximately $760,000 and $755,000 in 1974 and 1973, respectively. This computation assumes that the estimated present values were amortized on a straight-line basis over the terms of the leases and that interest expense was accrued on the outstanding lease obligations at the rates indicated above. The amounts included in the computation for amortization of leased property and interest expense were $3,011,000 and $4,864,000 in 1974 and $2,678,000 and $3,751,000 in 1973, respectively.

During 1973, certain properties were sold and leased back for an original term of 25 years with options to renew for additional periods. The proceeds from the sales, amounting to approximately $1,520,000, exceeded the net book value of properties sold by approximately $50,000. For financial statement purposes the gain is being deferred over the term of the leases.

NOTE F — EXTRAORDINARY CHARGE

During fiscal 1973, due to the poor operating performance of the Company's Boston Baby Division and the apparent decline in value of the goodwill acquired, management wrote off all excess acquisition costs ($1,341,576) attributable to the Division. On April 7, 1973, Boston Baby, which was then wholly insolvent, was liquidated into the parent. The Company will reflect a worthless stock and bad debt loss as an ordinary deduction in its tax return for fiscal 1974. The future tax benefit to be realized as a result of this liquidation has been used to reduce deferred federal income taxes.

Accountants' Report

To the Stockholders
Mammoth Mart, Inc.
West Bridgewater, Massachusetts

We have examined the consolidated financial statements of Mammoth Mart, Inc. and subsidiaries for the two fiscal years ended February 2, 1974. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of operations, stockholders' equity and changes in financial position present fairly the consolidated financial position of Mammoth Mart, Inc. and subsidiaries at February 2, 1974 and February 3, 1973, and the consolidated results of their operations, changes in stockholders' equity, and changes in financial position for the fiscal years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Boston, Massachusetts
April 9, 1974

Ernst & Ernst

mammoth mart, inc. AND SUBSIDIARIES

MAMMOTH MART LOCATIONS/1973

MAINE
Augusta
Bangor
Brunswick
Calais
Ellsworth
Lewiston
Orono
Portland
Presque Isle
Rockland
Rumford
Scarboro
Waterville

NEW HAMPSHIRE
Gilford
Keene
Portsmouth
Somersworth

VERMONT
Bennington
Brattleboro
Burlington
Newport-Derby

MASSACHUSETTS
Acton
Ashland
Brockton
Burlington
Canton
Dedham
Dudley
Fairhaven
Foxboro
Franklin
Greenfield
Holyoke
Lowell
Malden
Marlboro (2)
Milford
New Bedford
No. Adams
Raynham
Salisbury
Stoughton
Wareham
Webster
Weymouth
Worcester

NEW YORK
Ithaca
Kingston

NORTH CAROLINA
Elizabeth City
Henderson
Hickory
Jacksonville
Lumberton
New Bern
Statesville

CONNECTICUT
Bristol
E. Hartford
Guilford
North Haven

RHODE ISLAND
East Providence
Johnston
North Smithfield

MARYLAND
Bel Air
Essex
Lexington Park
Waldorf

PENNSYLVANIA
Harrisburg

JUVENILE MERCHANDISE STORE LOCATIONS

MASSACHUSETTS
Braintree
Brockton
Fall River
Natick
Saugus
Woburn

RHODE ISLAND
Cranston
Pawtucket
Warwick

MAINE
Portland

FIVE YEAR FINANCIAL COMPARISONS

(Fiscal Year Ended January)

Operating Results:
- Sales (Including Concessionaires') .....
- Concessionaires' Sales .....
- Sales (Own Departments) .....
- Earnings (Loss) Before Income Taxes and Extraordinary Charge .....
- Federal and State Income Tax Provision (Credit) .....
- Earnings (Loss) before Extraordinary Charge .....
- Extraordinary Charge (Net) ....
- Net Earnings (Loss) .....

Working Capital, Property and Other Assets:
- Current Assets .....
- Less Current Liabilities .....
- Working Capital .....
- Property and Equipment .....
- Other Assets .....

Capitalization:
- Long-Term Debt .....
- Deferred Income Taxes .....
- Stockholders' Equity .....

Significant Comparative Statistics:
- Primary Earnings Per Share:
  - Earnings (Loss) Before Extraordinary Charge† ...
  - Extraordinary Charge .....
  - Net Earnings†* .....
- Net Earnings (Loss) as Per Cent of Net Sales .....
- Net Earnings as Per Cent of Stockholders' Equity at Beginning of Year .....
- Ratio of Current Assets to Current Liabilities .....
- Book Value Per Share‡ .....
- Average Number of Shares Outstanding During Year†* ..

1974	1973	1972	1971	1970
$175,436,095	$158,232,402	$129,568,700	$110,316,019	$79,929,843
4,554,319	4,626,419	4,353,563	4,065,002	3,076,278
170,881,776	153,605,983	125,215,137	106,251,017	76,853,565
(1,323,480)	(436,729)	7,262,278	6,755,031	4,812,116
(432,000)	(198,000)	3,480,000	3,359,000	2,301,000
(891,480)	(238,729)	-	-	-
	(698,576)	-	-	-
($ 891,480)	($ 937,305)	$ 3,782,278	$ 3,396,031	$ 2,511,116
$ 35,553,767	$ 42,278,526	$ 31,530,997	$ 25,462,518	$16,559,298
13,244,478	17,814,143	11,109,227	12,143,908	7,677,000
22,309,289	24,464,383	20,421,770	13,318,610	8,882,298
13,392,982	12,921,174	10,474,963	7,989,897	5,902,929
957,439	869,484	1,991,708	1,906,206	522,157
$ 36,659,710	$ 38,255,041	$ 32,888,441	$ 23,214,713	$15,307,384
$ 10,384,601	$ 11,090,218	$ 3,053,205	$ 3,971,140	$ 2,710,028
685,099	117,099	638,099	470,599	430,718
25,590,010	27,047,724	29,197,137	18,772,974	12,166,638
$ 36,659,710	$ 38,255,041	$ 32,888,441	$ 23,214,713	$15,307,384
($0.24)	($0.06)	$1.02	$1.02	$0.77
-	(0.19)	-	-	-
($0.24)	($0.25)	$1.02	$1.02	$0.77
-	-	3.0%	3.2%	3.3%
-	-	20.1%	27.9%	25.0%
2.7 to 1	2.4 to 1	2.8 to 1	2.1 to 1	2.2 to 1
$6.82	$7.24	$7.66	$5.43	$3.78
3,748,734	3,789,042	3,724,083	3,318,775	3,253,195

†Based on weighted average shares outstanding adjusted for the dilutive effect of common stock equivalents resulting from unexercised stock options.

‡Based on shares outstanding at end of year.

**Adjusted for all stock dividends and stock splits.*

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